

Press Release**FOR IMMEDIATE RELEASE**

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Public to Vote on Senator Bettencourt's Constitutional Amendments from SJR 2 on May 7, 2022

Both bills passed unanimously in the Texas Senate with dozens of co-authors and co-sponsors!

Austin, TX – Senator Paul Bettencourt (R-Houston) explains two propositions that will be on the May 7, 2022 ballot across Texas as set by Governor Abbott. If passed by the voters, Proposition 1 will amend the state constitution to authorize the state legislature to reduce the property tax limit for school maintenance and operations taxes imposed on the homesteads of elderly or disabled residents. The effective date will be January 1, 2023, contingent on voter approval of proposition 1. Proposition 2 supports increasing the homestead exemption for school district property taxes from \$25,000 to \$40,000. The effective date will be January 1, 2022, contingent on voter approval of proposition 2.

"If passed, both of these propositions will cut independent school district property tax bills by increasing homeowner exemptions that will save money for all 5.67 million homesteads in the State of Texas," stated Senator Bettencourt.

Proposition 1	2024	2025	Total
Over 65 and Disabled Property Tax Reductions	\$219,348,876	\$248,120,464	\$467,469,340
Approximate annual savings for the estimated 2 million exemption holders	\$109.67	\$124.06	\$233.73

An individual's property tax reduction amount will vary based on the property specific situation.

Proposition 1 ballot title is as follows, *"The constitutional amendment authorizing the legislature to provide for the reduction of the amount of a limitation on the total amount of ad valorem taxes that may be imposed for general elementary and secondary public school purposes on the residence homestead of a person who is elderly or disabled to reflect any statutory reduction from the preceding tax year in the maximum compressed rate of the maintenance and operations taxes imposed for those purposes on the homestead."* The intent is to give property owners over the age of 65 and or disabled the benefits of the state's compressed tax rate for school maintenance and operations (M&O). Homeowners with an over 65 or disabled exemption could see an adjustment in their tax ceiling so that they will see the same type of tax rate compression from HB 3 as others previously received. Any additional tax rate compression provided by HB3, 2019, in future years will automatically be adjusted.

Proposition 2

This amendment will provide 5.67 million homesteads with a permanent \$175* per year reduction in their school district property tax bill, at the statewide average rate of \$1.17/\$100.

$\text{\$15,000/\$100} = \text{\$150} \times \text{\$1.17} = \text{\$175.50}$

An individual's additional homestead exemption savings will vary based on local school district maintenance and operations tax rate and debt rate.

Proposition 2 ballot titles is as follows, *"The constitutional amendment increasing the amount of the residence homestead exemption from ad valorem taxation for public school purposes from \$25,000 to \$40,000."* The intent is to help homeowners by increasing the homestead exemption amount by \$15,000 per year. The average homeowner will pay \$175 less in school property taxes using the statewide average rate of \$1.17/\$100 of value as a result. This amendment would raise the homestead property tax exemption from \$25,000 to \$40,000.

"I want to thank Lieutenant Governor Patrick for making both property tax Senate bills a priority, as all homeowners with homesteads will save money on their property tax bills. Over 65 homeowners will see their freeze values actually decline, and lifetime savings from both bills in the many thousands," concluded Senator Bettencourt.

If voters pass proposition 1 & 2, no school district will lose funding as any lost local revenue will be replaced by the state.

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